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May 5, 2020

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

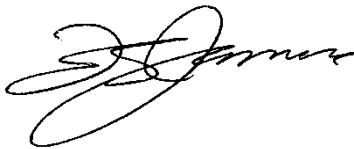
Dear Mr. Wruck:

RE: Project No. 1599047
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro) /
FortisBC Evacuation Relief Tariff Amendment Applications

BC Hydro writes in compliance with Commission Order No. G-68-20 to provide its responses to Round 2 information requests (**IR**) as Exhibit B1-5.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Fred James
Chief Regulatory Officer

aj/rh

Enclosure

Copy to: **FortisBC**
Attention: Doug Slater
electricity.regulatory.affairs@fortisbc.com

British Columbia Utilities Commission Information Request No. 2.7.1 Dated: March 30, 2020 British Columbia Hydro & Power Authority Response issued May 5, 2020	Page 1 of 2
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**7.0 Reference: Evacuation Relief Tariff Application
Exhibit B1-1, Section 2.3 p. 12; Section 2.4, p. 13;
Exhibit B1-4, BCUC IR 1.1.1
Electric Tariff Terms and Conditions**

On page 12 of the Application, British Columbia Hydro and Power Authority (BC Hydro) states it proposed changes to the Electric Tariff Terms and Conditions “to the benefit of Evacuee Customers who may be experiencing stress, anxiety, and considerable uncertainty under challenging circumstances.”

Page 13 of the Application states “[t]he Evacuation Relief Tariff Application will provide bill credits or waivers of certain charges to Evacuee Customers...”

In response to the British Columbia Utilities Commission (BCUC) Information Request (IR) 1.1.1, BC Hydro states:

BC Hydro’s proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

...

2. Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance.

2.7.1 Please explain whether the relief to be provided under the amendments to Electric Tariff Terms and Conditions amounts to a social assistance program or an insurance product. If not, please clarify how it differs.

RESPONSE:

BC Hydro formalized the proposed relief in its Electric Tariff pursuant to BCUC Order No. G-189-18. The proposed relief is a “rate”, which must not be unjust, unreasonable, unduly discriminatory, or unduly preferential, as set out in the *Utilities Commission Act*. Whether the proposed relief is akin to either insurance or social assistance is not determinative of whether the relief granted can be approved as a rate.

Furthermore, insurance companies and insurance policies issued in British Columbia are governed by the provincial *Insurance Act*, and by the federal *Insurance Companies Act*. BC Hydro is not an insurance company, as that term is defined in the provincial *Insurance Act*. Additionally, the federal *Insurance*

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Companies Act states that shares in an insurance company may not be held by a provincial or federal government. As a result, BC Hydro cannot be an insurance company under either provincial or federal legislation.

Additionally, the proposed Electric Tariff amendments from BC Hydro do not equate to an insurance product. An insurance product includes a specific policy payable to an identified person in return for a premium paid to the insurance company. As there is no rate rider included in the proposed amendments, BC Hydro is not charging or including a form of premium. Furthermore, as all eligible customers may receive the relief there is no specific term of insurance being offered to an individual customer. Instead, the program has general application for relief for all eligible customers. Therefore, the proposed amendments do not constitute an insurance product or policy.

Social assistance is not defined in law as a particular product or activity, and it does not include any particular legal or regulatory implications or consequences. However, social assistance is generally a non-market service offered by government, or by third-parties who are funded by government. As BC Hydro's tariff amendments are not funded by the Government of B.C., the proposed amendments do not amount to social assistance.

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2.7.2 Please comment on the risk that customers may avoid obtaining insurance given the knowledge that BC Hydro will provide certain relief to customers subject to Evacuation Orders, thus forcing BC Hydro to act as the insurer in lieu of insurance agencies.

RESPONSE:

Business interruption insurance coverage depends on the policy but may include repair costs, employee wages and loss of income, for example. In contrast, the proposed program is specific to Evacuation Orders for a customer’s electricity costs only. Further business interruption insurance would cover losses from other events (e.g., fire damage or a burst pipe) unrelated to an Evacuation Order, as well as other types of losses during an Evacuation Order. As a result, BC Hydro considers it unlikely that a business would forgo business interruption insurance on the basis of the proposed program.

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8.0 Reference: Evacuation Relief Tariff Application – Applicable Rate Schedules Exhibit B1-4, BCUC IR 1.1.1 Electric Tariff Terms and Conditions, Section 5, Amendment

In response to BCUC IR 1.1.1, BC Hydro states:

We acknowledge that the common areas of some multiple occupancy buildings are billed under MGS and LGS accounts as well as some facilities such as nursing homes, boarding houses, and rooming houses. In recognition that these types of MGS and LGS customers are also vulnerable to the impacts of an Evacuation Order, BC Hydro proposes to amend the Electric Tariff further to include the following term to the new proposed section on Evaluation Relief (Section 5.8):

In addition, BC Hydro may, in its discretion, waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if

- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.8.1 Please clarify how BC Hydro intends to provide direction or guidance to staff when applying its discretion. Please provide a copy of any policies, standards, procedures, guidelines etc.

RESPONSE:

Our intent would be to identify Medium General Service (MGS), Exempt General Service and Large General Service (LGS) customers within the area subject to an Evacuation Order, at the same time as Residential, Small General Service and Irrigation customers are identified. The nature of the MGS, LGS and Exempt General Service customers could be determined based on attributes of their account such as name, housing type, and North American Industry Classification System (NAICS) code.

BC Hydro proposes to provide billing relief to nursing homes, boarding houses and mobile home parks when the accounts are held by not-for-profit

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organizations. Relief would not be provided when, for example, a nursing home is part of a for-profit organization that operates a chain of retirement homes.

Billing relief would be provided to the common area of multiple occupancy residential or mixed-use strata developments as described further in BC Hydro's response to BCUC IR 2.8.3.

As BC Hydro's Application is still under BCUC review, BC Hydro has not yet developed policies or standards to provide direction or guidance to staff, and so is unable to provide these materials.

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**8.0 Reference: Evacuation Relief Tariff Application – Applicable Rate Schedules
 Exhibit B1-4, BCUC IR 1.1.1
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In addition, BC Hydro may, in its discretion, waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if

- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.8.2 Please discuss whether BC Hydro anticipates maintaining a record of the customers that receive relief for the Energy Charge. If so, please comment on whether this will be reported to the BCUC. If not, please explain why not.

RESPONSE:

Yes, a record will be kept of all customers that receive billing relief after being subject to Evacuation Orders. BC Hydro would be willing to provide reporting to the BCUC if requested however we note that doing so would add to the regulatory burden of the program. In addition, such information would need to be provided in accordance with applicable protection of privacy law.

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8.0 Reference: Evacuation Relief Tariff Application – Applicable Rate Schedules Exhibit B1-4, BCUC IR 1.1.1 Electric Tariff Terms and Conditions, Section 5, Amendment

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- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.8.3 Please explain why common areas of multiple occupancy building are included in this amendment and specifically why they are considered vulnerable to the impacts of an Evacuation Order.

RESPONSE:

As an example, residential common use areas of larger strata developments are often billed under Medium General Service (MGS) or Large General Service (LGS) rates depending on their consumption and demand characteristics. Although the service is to residential customers who are vulnerable to the impacts of an Evacuation Order these rates would be excluded from evacuee bill credits without BC Hydro’s proposed amendment.

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**8.0 Reference: Evacuation Relief Tariff Application – Applicable Rate Schedules
 Exhibit B1-4, BCUC IR 1.1.1
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- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.8.4 Please explain how BC Hydro verifies it is not providing relief to customers that have an insurance policy which covers similar expenses due to an evacuation.

RESPONSE:

When a customer’s dwelling is destroyed in a disaster event that resulted in an Evacuation Order, the customer must contact BC Hydro to request a new electrical service. During that conversation BC Hydro determines if the customer has adequate insurance. If not, BC Hydro waives the Connection Charge for the new electrical service.

The application of bill credits to accounts subject to an Evacuation Order is a bulk process that usually doesn’t require direct interaction with the customers. As a result, BC Hydro does not attempt to identify which customers do not have adequate insurance prior to providing billing relief for the Basic Charge and Energy Charge.

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**8.0 Reference: Evacuation Relief Tariff Application – Applicable Rate Schedules
 Exhibit B1-4, BCUC IR 1.1.1
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- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.8.5 Please discuss if BC Hydro would consider modifying the Electric Tariff to address a situation where a customer has an insurance policy which covers similar expenses as a result of an evacuation; similar to the Service Connection charges if an evacuee customer's dwelling is destroyed. If so, please provide the modified wording. If not, please explain why not.

RESPONSE:

BC Hydro does not believe potential reductions in the amount of waivers granted would be justified by the level of effort to verify the insurance coverage of customers subject to Evacuation Orders from a large event.

We note, for example, that as shown in BC Hydro's response to BCUC IR 1.1.1, bill credits were provided to 3,101 Small General Service customers during the

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2017 Wildfire season. These credits totaled \$185,303, which averages to approximately \$60 per customer.

If we assumed that the administration cost to validate insurance coverage was \$30 per customer, BC Hydro would have incurred over \$90,000 to validate insurance coverage for that event. Therefore, nearly 50 per cent of the waivers would have needed to be rejected to have the administration cost break even.

We further note that because the evacuation credits are done without customers needing to apply, the need to validate insurance coverage would add administrative burden to customers as well, leading to a poor customer experience.

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**9.0 Reference: Evacuation Relief Tariff Application – Treatment of Revenue Impacts
 Exhibit B1-4, BCUC IR 4.1
 Customer Feedback**

In response to BCUC IR 4.1, BC Hydro states “[it] has not sought any customer feedback on ratepayers bearing the cost of such bill credits.”

2.9.1 Please explain why customer feedback has not been sought and comment on the potential rate impact to BC Hydro ratepayers who would have to bear the cost of such bill credits.

RESPONSE:

BC Hydro had not considered seeking customer feedback on its proposed Electric Tariff amendments ahead of filing its application. BC Hydro notes, however, that it provided public notification of its Application through social media and printed news publications, in compliance with BCUC Order No. G-249-19 (see Exhibit B1-3).¹ Both forms of public notification provided customers with information on how to get involved with the process and how to provide feedback directly to the BCUC. As of the date of the filing of these IR responses, no Letters of Comment have been posted to the Commission’s website for this proceeding.

BC Hydro is unable to determine what the potential rate impact to ratepayers will be as the costs are unpredictable from year-to-year and BC Hydro has no control over the revenue impact.² As noted in BC Hydro’s response to BCUC IR 1.6.1, evacuation relief provided to-date has ranged from \$0.2 million to \$1.1 million which would have resulted in an estimated rate impact of approximately 0.02 per cent had an amount of \$1.1 million been recovered in the Fiscal 2020 to Fiscal 2021 Revenue Requirements Application.

¹ Regulatory timetable dates were amended with BCUC Order No. G-256-19.

² See section 2.5 of the Application.

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**10.0 Reference: Evacuation Relief Tariff Application
Exhibit B1-1, Section 2.6 p. 15; Exhibit B1-4, British Columbia
Old Age Pensioners' Organization *et al.* IR 8.1
Electric Tariff Terms and Conditions Amendments**

On page 15 of the Application, BC Hydro states:

...FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC), collectively FortisBC, implemented bill credit relief measures to evacuation ordered customers due to wildfires per Commission approval under Order Nos. G-125-17A and G-124-17 in 2017 and under Order No. G-170-18 in 2018 for evacuation ordered customers due to flooding. FortisBC also filed a tariff amendment approval request with the Commission on August 1, 2018 in relation to customers under evacuation orders.

Further, in response to British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO) IR 8.1, BC Hydro provides a table illustrating the BC Hydro and FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC), collectively FortisBC, rate schedules that are applicable for evacuation relief grouped together by similar customer types.

- 2.10.1 Please highlight any significant differences in the level and type of evacuation relief provided by BC Hydro and FortisBC including differences in the customer types offered relief.

RESPONSE:

Generally speaking, both BC Hydro and FortisBC (FBC) are proposing tariff amendments that are substantially aligned, that is, to provide a credit, or to not charge, Evacuee Customers, who are subject to an Evacuation Order, during an Evacuation Period.

Tariff amendments that are aligned between BC Hydro and FBC, are as follows:

- **The definitions for Evacuation Order and Evacuation Period;**
- **Discretion in the provision of evacuation relief when the Evacuation Order is less than five consecutive days and when an Evacuation Order ended more than two years before evacuation relief was requested; and**
- **Evacuation relief is provided as a credit on a customer's account and the credit will not bear interest.**

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Due to the terms of the Electric Tariff, BC Hydro requires two areas of tariff amendments that differ from FBC’s filed proposal. Specifically, BC Hydro requires: (1) the definition of Evacuee Customer, with respect to the customer types eligible for evacuation relief as identified by the rate schedule; and (2) the discretion for BC Hydro to provide evacuation relief to certain Medium General Service (MGS) and Large General Service (LGS) customers. These differences are discussed further here.

BC Hydro and FBC have identified specific customers by rate schedule, in their respective definition of Evacuee Customer, who may be eligible for evacuation relief. In BC Hydro’s view, provision of the relief would be more difficult to manage without the specific rate schedules noted. Below are additional examples of how BC Hydro’s proposals currently differ from FBC:

- BC Hydro’s evacuation relief extends to Street Lighting Service but is limited to the Private Outdoor Lighting only, as discussed in its response to BCUC IR 1.1.2.1.
- BC Hydro’s evacuation relief does not extend to its MGS and LGS rate class customers as this would result in a greater financial risk for ratepayers, as discussed in its responses to BCUC IR 1.1.1.1 and CEC IR 1.2.4.

BC Hydro has proposed it be given discretion in its provision of evacuation relief where a MGS or LGS customer is deemed to be similar to a Residential or Small General Service customer, i.e., being vulnerable to the impacts of an Evacuation Order, as discussed in its response to BCUC IR 1.1.1.1.

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2.10.2 Where there are differences in the evacuation relief provided by BC Hydro and FortisBC, please discuss if BC Hydro would be willing to harmonize its proposed amendments to the Electric Tariff Terms and Condition with FortisBC's proposed amendments to the Terms and Conditions. If so, please indicate the required changes, if any. If not, please explain why not.

RESPONSE:

Please refer to BC Hydro's response to BCUC IR 2.10.1.

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The response to BCUC 1.1.1.1 indicates that BC Hydro is proposing to amend the Electric Tariff further to waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if (a) the Customer is subject to an Evacuation Order; and (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

The response to BCUC 1.1.1.1 also lists as one of reasons for not providing billing relief to MGS and LGS customers is that where they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers and local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster.

2.9.1 Will the waiving of Energy Charges for MGS and LGS services where the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment apply even if the customer concerned is government funded?

RESPONSE:

BC Hydro is not proposing to waive Energy Charges for Medium General Service and Large General Service customers subject to an Evacuation Order where Service is for use in a nursing home, boarding house, rooming house, common area of a multiple occupancy building, mobile home park or similar establishment that is fully government funded. However, waiving of Energy Charges would be appropriate for these customers if they are operating as not-for-profit organizations that may receive a portion of their funding from the Government of B.C.

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2.9.1.1 If yes, please reconcile this with BC Hydro's rationale for excluding MGS and LGS customers with the fact that, in part, they are funded through taxpayers.

RESPONSE:

Please refer to BC Hydro's response to BCOAPO IR 2.9.1.

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9.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

The response to BCUC 1.1.1.1 indicates that BC Hydro is proposing to amend the Electric Tariff further to waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if (a) the Customer is subject to an Evacuation Order; and (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

The response to BCUC 1.1.1.1 also lists as one of reasons for not providing billing relief to MGS and LGS customers is that where they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers and local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster.

2.9.2 How will BC Hydro know/confirm that the MGS or LGS Service is for a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment?

RESPONSE:

For each account, BC Hydro tracks the premises type and North American Industry Classification System (NAICS) code as provided by the customer when the account was created. If further confirmation is required, a Field Service Representative may investigate the premises.

The address information is verified during the move in of a new customer at which point their account name, premises type and NAICS code will be updated. There is no audit process for this information. The account information will be updated when new information has been provided to BC Hydro which requires investigation. This information will be provided from BC Hydro employees or contractors, or from customers directly.

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9.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

The response to BCUC 1.1.1.1 indicates that BC Hydro is proposing to amend the Electric Tariff further to waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if (a) the Customer is subject to an Evacuation Order; and (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

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2.9.3 Will the Utility engage in periodic audits to ensure that the Service continues to be used for one of the listed purposes?

RESPONSE:

There will not be a periodic audit to ensure that the Service continues to be used for a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment. Please refer to BC Hydro's response to BCOAPO IR 2.9.2.

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9.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

The response to BCUC 1.1.1.1 indicates that BC Hydro is proposing to amend the Electric Tariff further to waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if (a) the Customer is subject to an Evacuation Order; and (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

The response to BCUC 1.1.1.1 also lists as one of reasons for not providing billing relief to MGS and LGS customers is that where they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers and local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster.

2.9.3 Will the Utility engage in periodic audits to ensure that the Service continues to be used for one of the listed purposes?

2.9.3.1 If so, how often will these audits take place?

RESPONSE:

Please refer to BC Hydro's response to BCOAPO IRs 2.9.2 and 2.9.3.

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9.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

The response to BCUC 1.1.1.1 indicates that BC Hydro is proposing to amend the Electric Tariff further to waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if (a) the Customer is subject to an Evacuation Order; and (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

The response to BCUC 1.1.1.1 also lists as one of reasons for not providing billing relief to MGS and LGS customers is that where they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers and local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster.

2.9.3 Will the Utility engage in periodic audits to ensure that the Service continues to be used for one of the listed purposes?

2.9.3.2 If not, will there be any other means or process by which the Utility will flag Services for audit? If so, please describe what will trigger an audit?

RESPONSE:

Please refer to BC Hydro's response to BCOAPO IR 2.9.2.

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10.0 Reference: Exhibit B1-4, BCUC 1.2.1

BC Hydro proposes that it be provided discretion whether or not a waiver is to be provided in the following circumstances: i) if an Evacuation Order is less than five consecutive days in duration; and ii) if an Evacuation Order has ended more than two years before the date BC Hydro receives a request from a customer subject to the Evacuation Order or otherwise becomes aware of the Evacuation Order.

BCUC 1.2.1 sets out the criteria that BC Hydro proposes to use to determine relief for Evacuee Customers who may not meet the five consecutive day threshold.

2.10.1 With respect to the criteria #4 as set out in BCUC 1.2.1, what is the basis on which BC Hydro will determine that the customers affected by Evacuation Orders of less than five days are geographically in the same area as those affected by Evacuation Orders in place for at least five days?

RESPONSE:

BC Hydro relies on the information provided by the Evacuation Orders and utilizes GIS mapping to accurately identify the evacuation durations of each premises. However, unless the service addresses are explicitly stated within the Evacuation Order it is often difficult to separate premises within the same geographical area that are or are not subject to an Evacuation Order. BC Hydro intends to provide the relief to customers who were subject to an Evacuation Order which may be less than five days where nearby premises were evacuated for a longer period and it is not practical for BC Hydro to ascertain where and when the Evacuation Order boundary changed.

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10.0 Reference: Exhibit B1-4, BCUC 1.2.1

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BCUC 1.2.1 sets out the criteria that BC Hydro proposes to use to determine relief for Evacuee Customers who may not meet the five consecutive day threshold.

2.10.2 Please explain what criteria BC Hydro will use to determine whether a waiver is to be provided if an Evacuation Order has ended more than two years before the date BC Hydro receives a request from a customer subject to the Evacuation Order or otherwise becomes aware of the Evacuation Order.

RESPONSE:

BC Hydro will review the customer's request and attempt to identify the location and duration of the Evacuation Order indicated by the customer. If BC Hydro was aware that the Evacuation Order occurred within the last two years, lasting at least five days, but no credit was provided to the customer, a credit would be applied if it is reasonably likely the customer's premises was within the boundary of the Evacuation Order.

If BC Hydro had no record of the Evacuation Order identified by the customer, BC Hydro would attempt to obtain records of the Evacuation Order and make a determination if the customer is eligible.

BC Hydro does not intend to provide relief when the Evacuation Order occurred more than two years prior to the customer request. However, discretion would be used to prevent an absurdity such as denying a customer's request for relief for an Evacuation Order that occurred two years plus one day prior.

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10.0 Reference: Exhibit B1-4, BCUC 1.2.1

BC Hydro proposes that it be provided discretion whether or not a waiver is to be provided in the following circumstances: i) if an Evacuation Order is less than five consecutive days in duration; and ii) if an Evacuation Order has ended more than two years before the date BC Hydro receives a request from a customer subject to the Evacuation Order or otherwise becomes aware of the Evacuation Order.

BCUC 1.2.1 sets out the criteria that BC Hydro proposes to use to determine relief for Evacuee Customers who may not meet the five consecutive day threshold.

2.10.3 How will BC Hydro ensure that, assuming it is allowed to exercise the requested discretion, all customers are treated fairly and in a consistent manner?

RESPONSE:

BC Hydro will develop and document a business practice such that billing agents reviewing accounts subject to Evacuation Orders understand that discretion is to be used only when an Evacuation Order has been established to have been in place for at least five days but that customers in the immediate vicinity may be provided bill credits when:

- **The boundaries of the Evacuation Order are unclear, such that BC Hydro cannot identify the affected premises with certainty; or**
- **Multiple Evacuation Orders were issued for a disaster event and it appears that customers within the immediate vicinity of each other may have not been evacuated for at least five days while other customers had been.**

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11.0 Reference: Exhibit B1-4, BCUC 1.2.1 and 1.2.2

2.11.1 Why is the balance between i) the relief provided (which is a benefit to the affected customers but a cost to all customers) and ii) the administrative cost (which is also a cost to all customers) a relevant consideration in determining the need for and the level of a threshold for eligibility?

RESPONSE:

As noted in BC Hydro's response to BCUC IR 1.2.10, without a threshold for the duration of an evacuation, BC Hydro could incur administrative costs of \$1,500 or more for a one-day evacuation yet provide a single customer a bill credit of only \$1. While it is true that customers pay for both the relief provided and the administrative cost, BC Hydro believes there is a point of de minimis at which the benefit to recipients doesn't warrant the costs borne by other customers.

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11.0 Reference: Exhibit B1-4, BCUC 1.2.1 and 1.2.2

2.11.2 The response to BCUC 1.2.2 states the reason for the 5 day threshold is “to balance the relief provided to customers with the administrative cost of identifying affected customers and applying credits”. Based on this rationale please explain why it reasonable, under certain circumstances (per BCUC 1.2.1), to provide waivers for customers who do not meet the threshold.

RESPONSE:

Some customers may perceive they are being treated inequitably when they are not provided billing relief when subject to an Evacuation Order of four days, for example, while others affected by the same disaster event are provided with billing relief because they were subject to an Evacuation Order of five days. In this situation, BC Hydro would incur additional costs to address and investigate the customer’s complaint; these costs will almost certainly exceed the \$10.95 bill credit expected to be provided to a median customer in the summer, as indicated in BC Hydro’s response to BCUC IR 1.2.4.

As it is more cost-effective to apply credits in bulk processes, overall administration costs are lowered by including a small number of customers affected by the same disaster event even if they were not subject to an Evacuation Order for five days when conditions arise such as those described in BC Hydro’s response to BCOAPO IR 2.10.1.

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12.0 Reference: Exhibit B1-4, BCUC 1.2.11.1 and 1.2.12

2.12.1 BCUC 1.2.12 requested “the expected cost per evacuee to confirm they were subject to an Evacuation Order for at least five consecutive days” (emphasis added). The response indicated cost in the range of \$300 to \$2,200 plus further costs to calculate and apply bill credits of between \$1,200 and \$2,300. However, the response to BCUC 1.2.11.1 indicates that the cost per customer for historical events have been in the range of \$0.99 to \$55.56. Please confirm whether the costs provided in BCUC 1.2.12 were per evacuee (as requested) or total costs for an evacuation event.

RESPONSE:

BC Hydro’s response to BCUC IR 1.2.12 provides a range of the total expected cost of administering bill credits for a single evacuation event. A meaningful cost per evacuee cannot be provided because expected costs are fixed regardless of the number of evacuees.

BC Hydro’s response to BCUC IR 1.2.11.1 provides actual costs per evacuee because both costs and number of evacuees were known for historical events.

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12.0 Reference: Exhibit B1-4, BCUC 1.2.11.1 and 1.2.12

2.12.1 BCUC 1.2.12 requested “the expected cost per evacuee to confirm they were subject to an Evacuation Order for at least five consecutive days” (emphasis added). The response indicated cost in the range of \$300 to \$2,200 plus further costs to calculate and apply bill credits of between \$1,200 and \$2,300. However, the response to BCUC 1.2.11.1 indicates that the cost per customer for historical events have been in the range of \$0.99 to \$55.56. Please confirm whether the costs provided in BCUC 1.2.12 were per evacuee (as requested) or total costs for an evacuation event.

2.12.1.1 If total costs, please revise the response to be on a per evacuee basis as requested.

RESPONSE:

The following table demonstrates the expected costs per evacuee for a range of expected evacuees. BC Hydro notes that as the costs are fixed the cost per evacuee are not meaningful.

Number of Evacuees	Assumed Administrative Cost	
	\$1,500	\$4,500
1	\$1,500 per evacuee	\$4,500 per evacuee
10	\$150 per evacuee	\$450 per evacuee
100	\$15 per evacuee	\$45 per evacuee
1,000	\$1.50 per evacuee	\$4.50 per evacuee
10,000	\$0.15 per evacuee	\$0.45 per evacuee

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13.0 Reference: Exhibit B1-4, BCUC 1.2.12

2.13.1 Would the cost estimates (per evacuee) for either i) obtaining an Evacuation Order and identifying the customers affected or ii) calculating and applying the bill credits change if the five day criteria did not exist?

RESPONSE:

The cost estimates provided are per disaster event. The cost of administering a disaster event will vary depending on the number of Evacuation Orders that are associated with the disaster event, amongst other factors.

The cost estimate per disaster event would not change if the proposed threshold of an Evacuation Order being in place for five consecutive days did not exist. However, as there would be more disaster events to administer, the total cost of administering the evacuee relief program would increase. BC Hydro expects that one or more additional FTEs would be required if there was not a minimum five-day threshold and estimates that this would result in an incremental cost of approximately \$0.1 million per year for recovery from ratepayers.

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13.0 Reference: Exhibit B1-4, BCUC 1.2.12

2.13.1 Would the cost estimates (per evacuee) for either i) obtaining an Evacuation Order and identifying the customers affected or ii) calculating and applying the bill credits change if the five day criteria did not exist?

2.13.1.1 If yes, how would the costs for each step change?

RESPONSE:

Please refer to BC Hydro's response to BCOAPO IR 2.13.1 which explains the cost estimate per disaster event would not change if the five-day criteria did not exist.

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14.0 Reference: Exhibit B1-4, BCUC 1.2.13 and BCUC 1.2.14

2.14.1 The response to BCUC 1.2.14 appears to suggest that for individual customers requesting a billing credit after the fact, the major cost is not retrieving the invoice (even if archived) but rather the cost of investigation to confirm the existence of an Evacuation Order, and to determine the time periods and evacuation area boundaries. Please confirm whether or not this is the case.

RESPONSE:

Confirmed. The cost of investigating the Evacuation Order is greater than the cost of retrieving archived data.

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14.0 Reference: Exhibit B1-4, BCUC 1.2.13 and BCUC 1.2.14

2.14.1 The response to BCUC 1.2.14 appears to suggest that for individual customers requesting a billing credit after the fact, the major cost is not retrieving the invoice (even if archived) but rather the cost of investigation to confirm the existence of an Evacuation Order, and to determine the time periods and evacuation area boundaries. Please confirm whether or not this is the case.

2.14.1.1 If confirmed, please explain why two years is considered to be a reasonable cut-off for purposes providing BC Hydro discretion in providing a waiver.

RESPONSE:

The two-year cut-off is important as it is very difficult to obtain information on past Evacuation Orders. After a certain point in time, detailed information regarding Evacuation Orders becomes difficult to obtain from the issuing organizations. The two-year timeline is also reasonable as it coincides with the archiving of invoice data in the billing system which would drive an additional level of effort.

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15.0 Reference: Exhibit B1-4, BCUC 1.5.1 and BCUC 1.5.4

BC Hydro's F2020-F2021 RRA, Rebuttal Evidence, page 11

The response to BCUC 1.5.1 states:

"BC Hydro considers the use of an existing regulatory account, in this case the Storm Restoration Costs Regulatory Account, is preferable to establishing a new regulatory account to limit the number of regulatory accounts and the regulatory burden associated with a new regulatory account".

The response to BCUC 1.5.4 confirms that BC Hydro will separately track storm restoration costs and evacuation assistance costs within the Storm Restoration Costs Regulatory Account.

The referenced Rebuttal Evidence states: "Ultimately, BC Hydro believes it is important to look at the reason for each regulatory account, with regard to the BCUC's guidelines, rather than just tallying the numbers".

2.15.1 What is the additional regulatory burden associated with establishing a new regulatory account to track evacuation assistance costs versus track the same costs within the Storm Restoration Costs Regulatory Account?

RESPONSE:

The additional regulatory burden associated with establishing a new regulatory account includes the following:

- **Seeking BCUC approval for a recovery mechanism to be applied to the new regulatory account and administering the recovery mechanism;**
- **Seeking BCUC approval for interest to be applied to the new regulatory account, if applicable, and administering the interest to be applied to that account; and**
- **Account oversight and reporting, for example reporting the regulatory account separately in the revenue requirements and other BCUC reporting requirements (if applicable), as well as BC Hydro's internal and external financial reporting and internal forecasting for the new regulatory account.**

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15.0 Reference: Exhibit B1-4, BCUC 1.5.1 and BCUC 1.5.4

BC Hydro's F2020-F2021 RRA, Rebuttal Evidence, page 11

The response to BCUC 1.5.1 states:

"BC Hydro considers the use of an existing regulatory account, in this case the Storm Restoration Costs Regulatory Account, is preferable to establishing a new regulatory account to limit the number of regulatory accounts and the regulatory burden associated with a new regulatory account".

The response to BCUC 1.5.4 confirms that BC Hydro will separately track storm restoration costs and evacuation assistance costs within the Storm Restoration Costs Regulatory Account.

The referenced Rebuttal Evidence states: "Ultimately, BC Hydro believes it is important to look at the reason for each regulatory account, with regard to the BCUC's guidelines, rather than just tallying the numbers".

2.15.2 Please reconcile BC Hydro's statement in BCUC 1.5.1 that use of the Storm Restoration Costs Regulatory Account is preferable as it limits the number of regulatory accounts with the referenced statement from the Rebuttal Evidence.

RESPONSE:

BC Hydro does not consider the statements referenced to be misaligned. BC Hydro sees value in limiting the number of regulatory accounts but believes new accounts should be created when it makes sense to do so.

In the situation at hand, BC Hydro does not consider that there is significant value in creating a new regulatory account.

Instead, we consider the use of the existing Storm Restoration Costs Regulatory Account as more efficient from a regulatory perspective as discussed in our response to BCUC IR 1.5.1. BC Hydro further notes that there is alignment in the nature of the deferral provided in this application with the Storm Restoration Costs Regulatory Account – as noted in BC Hydro's response to BCUC IR 1.63.13.1¹ to the Fiscal 2020 to Fiscal 2021 Revenue Requirements Application, deferrals to the account include wildfire-related costs as applicable. We provided a breakdown of additions to the Storm Restoration Costs Regulatory

¹ https://www.bcuc.com/Documents/Proceedings/2019/DOC_54171_B-5-BCH-Response-to-BCUC-IR1.pdf

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Account in that response and committed to also doing so in respect of amounts deferred to the account arising from this application in our response to BCUC IR 1.5.4. We also believe that the established recovery period for the Storm Restoration Costs Regulatory Account will be appropriate for the nature of deferral provided in this application.

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15.0 Reference: Exhibit B1-4, BCUC 1.5.1 and BCUC 1.5.4

BC Hydro's F2020-F2021 RRA, Rebuttal Evidence, page 11

The response to BCUC 1.5.1 states:

"BC Hydro considers the use of an existing regulatory account, in this case the Storm Restoration Costs Regulatory Account, is preferable to establishing a new regulatory account to limit the number of regulatory accounts and the regulatory burden associated with a new regulatory account".

The response to BCUC 1.5.4 confirms that BC Hydro will separately track storm restoration costs and evacuation assistance costs within the Storm Restoration Costs Regulatory Account.

The referenced Rebuttal Evidence states: "Ultimately, BC Hydro believes it is important to look at the reason for each regulatory account, with regard to the BCUC's guidelines, rather than just tallying the numbers".

2.15.3 Would the nature and materiality of the anticipated evacuation assistance cost meet the BCUC's guidelines for establishing a new regulatory account?

RESPONSE:

The nature of the bill credits and waivers proposed to be provided under the Evacuation Relief Tariff Amendments Application would align with the regulatory account types included in BCUC's Regulatory Account Filing Checklist, specifically a forecast variance account described under item (f) in the checklist:

(f) Forecast variance account

A forecast variance account captures the variance between forecast costs or revenues and actual costs or revenues

The BCUC Regulatory Account Checklist does not provide specific guidelines on materiality in respect of new regulatory accounts, except that it requires that regulated entities address the materiality of the costs when seeking approval to establish a new regulatory account.

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16.0 Reference: Exhibit B1-1, page 9 and Exhibit B1-4, BCUC 1.5.1

2.16.1 Please clarify what “revenue impacts” is BC Hydro proposing to defer to BC Hydro’s Storm Restoration Costs Regulatory Account. For example, does it include foregone revenues from: i) the charges list in Exhibit B1-1, page 9, item #2, ii) the waiving of All Charges For Destroyed Residential Dwelling (per Exhibit B1-1, page 9, item #3); iii) the waiving of Service Connection Charges for New Residential Dwellings (per Exhibit B1-1, page 9, item #4; and/or iv) waived Late Payment charges?

RESPONSE:

BC Hydro assumes that the reference to “page 9” in the question was meant to be “page 6”.

The charges that BC Hydro is proposing to waive to provide assistance to customers subject to an Evacuation Order are described in section 1.5 of the Application (Exhibit B1-1) on pages 5 to 6.

The revenue impacts that BC Hydro is proposing to defer to the Storm Restoration Costs Regulatory Account include the following:

- i) Bill Credit During Evacuation Order, page 6, item No. 2 (with the exception of the Customer Crisis Fund Rate Rider):**

The bill credits for the applicable service and rate schedules listed in item No. 2 on page 6 of the Application are proposed to be deferred to the Storm Restoration Costs Regulatory Account, with the exception of the Customer Crisis Fund Rate Rider, Rate Schedule 1903. The waiver of the Customer Crisis Fund Rate Rider would not be deferred to the Storm Restoration Costs Regulatory Account as this would be captured in the amounts deferred to the Customer Crisis Fund Regulatory Account.

- ii) Waiver of All Charges For Destroyed Residential Dwelling, page 6, item No. 3**

If a customer’s residential dwelling was destroyed, BC Hydro will waive all charges for service for the period immediately after the last billing period and before the destruction.

BC Hydro is not proposing to defer the revenue impact of the following waivers of charges described on page 6 of the Application to the Storm Restoration Costs Regulatory Account for the reasons described below:

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iii) **Waiver of Service Connection Charges For New Residential Dwellings, page 6, item No. 4**

The waiver of service connection charges for new residential dwellings described in item No. 4 on page 6 of the Application results in a variance in Miscellaneous Revenues, which are generally not eligible for deferral to regulatory accounts under existing orders. As BC Hydro does not expect to have significant revenue impacts resulting from the waiver of service connection charges for new residential dwellings, BC Hydro is not proposing to defer these amounts to a regulatory account in keeping with current practice.

iv) **Waiver of Late Payment Charges, page 6**

As described on page 6 of the Application, consistent with existing business practices, BC Hydro will waive the applicable Late Payment Charge when bill delivery or payment is disrupted by a State of Emergency. BC Hydro is not requesting approval of this Late Payment relief, nor is it proposing related changes to the Tariff for the waived Late Payment Charges. As such, BC Hydro is not proposing to defer these waived late payment charges to the Storm Restoration Costs Regulatory Account.

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16.0 Reference: Exhibit B1-1, page 9 and Exhibit B1-4, BCUC 1.5.1

2.16.2 Please confirm that none of the foregone revenues identified in the previous response (particularly item (i)) are captured in BC Hydro's Non-Heritage Account as part of the Domestic Revenue variance?

RESPONSE:

BC Hydro confirms that the revenue impacts for the bill credits and waivers of charges identified in item (i) in the question above and in BC Hydro's response to BCOAPO IR 2.16.1 that are proposed to be deferred to the Storm Restoration Costs Regulatory Account would be excluded from the domestic revenue variance captured in Non-Heritage Deferral Account to ensure that these amounts are only deferred once.

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17.0 Reference: Exhibit B1-4, BCUC 1.7.1; BCUC 1.7.1.1; BCUC 1.7.3; and BCUC 1.7.4.1

2.17.1 In accordance with the response to BCUC 1.7.4.1, please confirm that if BC Hydro is aware of a disaster event its business practice is to:

- i. Stop billing the affected customers' accounts and also apply a dunning lock so they are not subject to the Late Payment Charge or other collections actions.
- ii. Then, for events expected to have short durations, BC Hydro waits to send the bill for the relevant period and apply the bill credits until all Evacuation Orders for the event have been rescinded so as to provide a single bill/credit for the period of the event.

RESPONSE:

BC Hydro confirms that the above reflects our intended business practices.

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17.0 Reference: Exhibit B1-4, BCUC 1.7.1; BCUC 1.7.1.1; BCUC 1.7.3; and BCUC 1.7.4.1

2.17.1 In accordance with the response to BCUC 1.7.4.1, please confirm that if BC Hydro is aware of a disaster event its business practice is to:

- i. Stop billing the affected customers' accounts and also apply a dunning lock so they are not subject to the Late Payment Charge or other collections actions.
- ii. Then, for events expected to have short durations, BC Hydro waits to send the bill for the relevant period and apply the bill credits until all Evacuation Orders for the event have been rescinded so as to provide a single bill/credit for the period of the event.

2.17.1.1 In circumstances where the billing has stopped, how do the customers know they are not responsible for a monthly/bi-monthly bill?

RESPONSE:

BC Hydro's current practice does not involve notifying the customer that their billing has been stopped. In most cases, billing will be stopped for 30 days after the Evacuation Order is rescinded to allow for the calculation and application of credits. This is no different than other billing investigations which can take up to 30 days to resolve. Customers who are billed bi-monthly may receive the evacuation relief on their scheduled invoice date.

If a customer does contact BC Hydro, there will be a notification on the account to advise that an evacuation relief review is being conducted and that their invoices have been stopped. BC Hydro is exploring whether it can provide online or email notification when billing has been stopped.

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17.0 Reference: Exhibit B1-4, BCUC 1.7.1; BCUC 1.7.1.1; BCUC 1.7.3; and BCUC 1.7.4.1

2.17.2 Please confirm that if BC Hydro is unaware of a disaster event, customers will continue to receive and be responsible for their monthly/bi-monthly bills but that after the fact, once BC Hydro is made aware of the event and a customer's eligibility established, bill credits will be issued and any Late Payment Charges reversed.

RESPONSE:

Confirmed. If BC Hydro is unaware of a disaster event, customers will continue to receive their normal scheduled invoices. Once BC Hydro becomes aware of the event, eligible Evacuee Customers will be provided the evacuation relief and any Late Payment Charges specific to the period of the Evacuation Order will be reversed.

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British Columbia Hydro & Power Authority BC Hydro/FortisBC Evacuation Relief Tariff Amendment Applications	Exhibit: B1-5

18.0 Reference: Exhibit B1-4, CEC 1.7.1 and 1.9.1

2.18.1 Does BC Hydro have any Regulatory Accounts where the revenue impacts or costs are tracked and recovered by customer class as opposed to being recovered from ratepayers through general rate increases/decreases?

RESPONSE:

No, BC Hydro does not currently have any regulatory accounts where the revenue impacts or costs are tracked and recovered by customer class as opposed to being recovered from ratepayers through general rate increases/decreases.

BC Hydro notes that any balance in the Customer Crisis Fund Regulatory Account was expected to be recovered only from residential customers. However, pursuant to section 4 of Order in Council No. 159 issued on April 2, 2020, the BCUC must allow the balance in the Customer Crisis Fund Regulatory Account to be recovered from all ratepayers.

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18.0 Reference: Exhibit B1-4, CEC 1.7.1 and 1.9.1

2.18.1 Does BC Hydro have any Regulatory Accounts where the revenue impacts or costs are tracked and recovered by customer class as opposed to being recovered from ratepayers through general rate increases/decreases?

2.18.1.1 If yes, please indicate which Regulatory Accounts these are.

RESPONSE:

Not applicable. Please refer to BC Hydro's response to BCOAPO IR 2.18.1.

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18.0 Reference: Exhibit B1-4, CEC 1.7.1 and 1.9.1

2.18.1 Does BC Hydro have any Regulatory Accounts where the revenue impacts or costs are tracked and recovered by customer class as opposed to being recovered from ratepayers through general rate increases/decreases?

2.18.1.2 If yes, please indicate the criteria BC Hydro's considers should be used to determine whether costs deferred to a Regulatory Account should be recovered on a class-specific basis or through general rates increase applicable to all classes.

RESPONSE:

Not applicable. Please refer to BC Hydro's response to BCOAPO IR 2.18.1.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. **As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
2. **Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
3. **Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.1 Please confirm that not all businesses or customers under the MGS or LGS rate schedules are required to carry business interruption insurance in order to receive service from the utility.

RESPONSE:

Confirmed.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

- 1. As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
- 2. Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
- 3. Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.2 Please provide any evidence available that business interruption insurance applicable to paying for energy costs during an evacuation is carried by a significant majority of its MGS and/or LGS customers.

RESPONSE:

BC Hydro does not have statistics that indicate the percentage of customers in any of its rate classes that hold business interruption insurance.

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British Columbia Hydro & Power Authority BC Hydro/FortisBC Evacuation Relief Tariff Amendment Applications	Exhibit: B1-5

10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. **As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
2. **Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
3. **Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.3 Please provide an estimated cost of the business interruption insurance that would be required to be carried in order to provide similar relief as that provided under this program.

RESPONSE:

BC Hydro is unable to provide the requested information as the estimated cost of business interruption insurance is not known.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. **As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
2. **Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
3. **Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.4 Please provide quantification, with the relevant calculations, of an appropriate rate adjustment (reduction) for businesses that carry business interruption insurance, thereby relieving the utility of meeting that requirement.

RESPONSE:

BC Hydro is unable to provide the requested information as it is not available to us. The required information would be detailed and customer specific and not practical to administer.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

- 1. As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
- 2. Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
- 3. Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.5 Please confirm that residential customers also carry insurance.

RESPONSE:

BC Hydro confirms that a proportion of residential customers carry homeowner and other forms of insurance.

We don't have details regarding the percentage of homeowners that carry insurance or of the levels and types of coverage provided.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. **As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
2. **Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
3. **Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.6 How does the utility know that residential or small business customers do not have the equivalent benefit from their residential or small business insurance?

RESPONSE:

BC Hydro has not been able to identify data that indicates the extent to which insurance products have or have not been purchased by customers in each of its rate classes.

BC Hydro has identified that globally only 30 to 40 per cent of economic losses resulting from natural catastrophes are covered by insurance.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. **As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
2. **Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
3. **Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.7 Would BC Hydro provide the evacuee assistance to residential customers if their residential insurance covered the potential loss? Please explain.

RESPONSE:

If all BC Hydro customers had insurance coverage for their electricity costs the evacuation relief may not be needed. For practical reasons BC Hydro is unable to verify the insurance coverage of all its customers.

Please refer to BC Hydro's response to BCUC IR 2.8.5.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. **As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
2. **Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
3. **Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.7 Would BC Hydro provide the evacuee assistance to residential customers if their residential insurance covered the potential loss? Please explain.

2.10.7.1 What would be the expected cost to a residential or small business for their insurance to cover the energy costs covered by the utility evacuee assistance?

RESPONSE:

BC Hydro is not aware of the expected costs of acquiring this form of insurance and so is unable to answer this question.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. **As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
2. **Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
3. **Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.8 Please provide any evidence the utilities have that quantifies the number or percentage of businesses that would continue to operate under an Evacuation Order.

RESPONSE:

The number or percentage of businesses that would continue to operate under an Evacuation Order would vary depending on the area affected by the Evacuation Order, the composition of businesses within the affected area, and the duration of the Evacuation Order. Accordingly, BC Hydro is unable to quantify the number or percentage of businesses that would continue to operate under a future Evacuation Order.

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We note that the Medium General Service (MGS) and Large General Service (LGS) rate classes include a diverse range of business types. Each business type could be affected by an Evacuation Order in different ways depending on, for example, needs for on-site employees, reliance upon access by customers for sales, perishability of their products, or ability to make-up for lost production when the Evacuation Order is rescinded. As result, the impact of an Evacuation Order may be different for retail stores and hotels than for compressor stations, data centres or greenhouses, for example. It is likely the impact would also vary within each of those business types given unique characteristics of each site.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. **As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;**
2. **Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and**
3. **Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the**

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.9 Please explain how continued supply to a 'grocery store' provides greater benefits from the continued consumption of electricity during an evacuation than continued supply to an alternative small commercial enterprise.

RESPONSE:

BC Hydro notes that all its customers may receive benefits from the continued consumption of electricity during an evacuation. For example, a commercial customer would require electricity for the continued operation of building security. The example of a grocery store is intended to demonstrate that some types of businesses may place higher value on the continued supply of electricity than others, based on the nature of their business. In this example, continued

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consumption of electricity by a grocery store during an Evacuation Order provides value by preventing perishable and frozen goods from spoiling, thereby saving the grocery store the cost of purchasing replacement product.

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10.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

1.1.1.1 Please explain why evacuee assistance will not apply to all eligible general service rate schedule customers.

RESPONSE:

Medium General Service (MGS) and Large General Service (LGS) accounts are primarily comprised of business and government accounts. BC Hydro's proposal does not include providing billing relief to MGS and LGS customers for the following reasons:

1. As they are funded through taxpayers, government organizations don't experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;
2. Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Accordingly, BC Hydro does not believe it is appropriate for other ratepayers to be responsible for financial losses that should be covered by insurance. Furthermore, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and
3. Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. In addition, other accounts require the continuous supply of electricity despite being closed because of an Evacuation Order (e.g., continued use of electricity in a grocery store). In both situations, the

customer continues to benefit from the consumption of electricity despite the Evacuation Order.

2.10.10 Please confirm that residential customers can also benefit from the continued supply of electricity during an evacuation.

RESPONSE:

Confirmed.

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11.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

BC Hydro is also concerned about the level of risk placed upon ratepayers if credits were to be issued to MGS and LGS accounts subject to an Evacuation Order should there be a very large or extended evacuation. As identified in BC Hydro's response to BCUC IR 1.1.1, bill credits for the 2017 Wildfire Season totaled approximately \$149,000 for 234 MGS and LGS customers, for the Energy Charge only (i.e., credits were not provided for the Demand Charge). This equates to 14 per cent of the total bill credits despite representing only 0.8 per cent of accounts subject to Evacuation Orders.

The relative magnitude of bill credits is also shown in BC Hydro's response to BCUC IR 1.2.14.1, which shows that in the 2017 Wildfire Season residential customers received evacuee bill credits that averaged \$1.71 per day while MGS and LGS customers received an average of \$25.82 per day and \$126.87 per day, respectively. Should there be a very large disaster in a developed commercial area, the total amount of bill credits for MGS and LGS customer could be substantial (please refer to BC Hydro's response to CEC IR 1.2.4).

We acknowledge that the common areas of some multiple occupancy buildings are billed under MGS and LGS accounts as well as some facilities such as nursing homes, boarding houses, and rooming houses. In recognition that these types of MGS and LGS customers are also vulnerable to the impacts of an Evacuation Order, BC Hydro proposes to amend the Electric Tariff further to include the following term to the new proposed section on Evaluation Relief (Section 5.8):

In addition, BC Hydro may, in its discretion, waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if

- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.11.1 Please identify what under what rate class 'hotels' operate.

RESPONSE:

Hotels operate under General Service rates, with the specific General Service rate depending on each hotel's usage.

Small General Service	Demand less than 35 kW
Medium General Service	Demand between 35 kW and 149 kW and annual consumption equal to or less than 550,000 kWh
Large General Service	Demand 150 kW or greater or annual consumption greater than 550,000 kWh

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11.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

BC Hydro is also concerned about the level of risk placed upon ratepayers if credits were to be issued to MGS and LGS accounts subject to an Evacuation Order should there be a very large or extended evacuation. As identified in BC Hydro's response to BCUC IR 1.1.1, bill credits for the 2017 Wildfire Season totaled approximately \$149,000 for 234 MGS and LGS customers, for the Energy Charge only (i.e., credits were not provided for the Demand Charge). This equates to 14 per cent of the total bill credits despite representing only 0.8 per cent of accounts subject to Evacuation Orders.

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We acknowledge that the common areas of some multiple occupancy buildings are billed under MGS and LGS accounts as well as some facilities such as nursing homes, boarding houses, and rooming houses. In recognition that these types of MGS and LGS customers are also vulnerable to the impacts of an Evacuation Order, BC Hydro proposes to amend the Electric Tariff further to include the following term to the new proposed section on Evaluation Relief (Section 5.8):

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- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.11.2 Please provide a list of the types of businesses operating under the MGS rate class.

RESPONSE:

There is not an exhaustive list of types of businesses operating under the Medium General Service rate class.

In the Electric Tariff, the General Service rate category is defined as:

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Service for business, commercial, institutional or industrial use, including use in nursing homes, boarding houses, rooming houses, common areas of multiple occupancy buildings, recreational establishments, marinas and yacht clubs, hotels, motels, mobile home parks and similar establishments or parts thereof, or for any other use not specifically provided for in the Electric Tariff.

Customers are billed under the most appropriate rate class for their electricity usage, not type of business. Please refer to BC Hydro's response to CEC IR 2.11.1 for a description of the service requirements for the Small, Medium and Large General Service rates.

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11.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

BC Hydro is also concerned about the level of risk placed upon ratepayers if credits were to be issued to MGS and LGS accounts subject to an Evacuation Order should there be a very large or extended evacuation. As identified in BC Hydro's response to BCUC IR 1.1.1, bill credits for the 2017 Wildfire Season totaled approximately \$149,000 for 234 MGS and LGS customers, for the Energy Charge only (i.e., credits were not provided for the Demand Charge). This equates to 14 per cent of the total bill credits despite representing only 0.8 per cent of accounts subject to Evacuation Orders.

The relative magnitude of bill credits is also shown in BC Hydro's response to BCUC IR 1.2.14.1, which shows that in the 2017 Wildfire Season residential customers received evacuee bill credits that averaged \$1.71 per day while MGS and LGS customers received an average of \$25.82 per day and \$126.87 per day, respectively. Should there be a very large disaster in a developed commercial area, the total amount of bill credits for MGS and LGS customer could be substantial (please refer to BC Hydro's response to CEC IR 1.2.4).

We acknowledge that the common areas of some multiple occupancy buildings are billed under MGS and LGS accounts as well as some facilities such as nursing homes, boarding houses, and rooming houses. In recognition that these types of MGS and LGS customers are also vulnerable to the impacts of an Evacuation Order, BC Hydro proposes to amend the Electric Tariff further to include the following term to the new proposed section on Evaluation Relief (Section 5.8):

In addition, BC Hydro may, in its discretion, waive Energy Charges as set out in an applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), if

- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.11.3 Please provide a list of the types of businesses operating under the LGS rate class.

RESPONSE:

There is not an exhaustive list of types of businesses operating under the Large General Service rate class.

Please refer to BC Hydro's response to CEC IR 2.11.2.

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11.0 Reference: Exhibit B1-4, BCUC 1.1.1.1

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The relative magnitude of bill credits is also shown in BC Hydro's response to BCUC IR 1.2.14.1, which shows that in the 2017 Wildfire Season residential customers received evacuee bill credits that averaged \$1.71 per day while MGS and LGS customers received an average of \$25.82 per day and \$126.87 per day, respectively. Should there be a very large disaster in a developed commercial area, the total amount of bill credits for MGS and LGS customer could be substantial (please refer to BC Hydro's response to CEC IR 1.2.4).

We acknowledge that the common areas of some multiple occupancy buildings are billed under MGS and LGS accounts as well as some facilities such as nursing homes, boarding houses, and rooming houses. In recognition that these types of MGS and LGS customers are also vulnerable to the impacts of an Evacuation Order, BC Hydro proposes to amend the Electric Tariff further to include the following term to the new proposed section on Evaluation Relief (Section 5.8):

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- (a) the Customer is subject to an Evacuation Order; and
- (b) the Service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

2.11.4 Please confirm that MGS and LGS customers have a R:C ratio of greater than unity, and provide the R:C ratios.

RESPONSE:

Confirmed. The fiscal 2019 actual results for the revenue to cost ratio for the Medium General Service (MGS) rate class is 115.1 per cent and for the Large General Service (LGS) rate class it is 102.4 per cent.

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12.0 Reference: Exhibit B1-4, CEC 1.2.4

1.2.4 Please provide BC Hydro's cost analysis of the 'additional financial risk' that would accrue if charges were waived for Medium General Service customers

RESPONSE:

This information request response also answers CEC IR 1.2.5.

Table 1 shows the range of potential bill credits for Energy Charges only for Medium General Service (MGS) and Large General Service (LGS) customers assuming that consumption doesn't change during the Evacuation Order. These ranges are described in more detail in BC Hydro's responses to CEC IR 1.6.2 (for MGS customers) and CEC IR 1.6.3 (for LGS customers). Bill credits would be higher if Demand Charges were also assumed to be eligible for waivers.

Table 1: Range of Bill Credits (Energy Charge only) for MGS and LGS Customers

		20 th Percentile (\$)	Median (\$)	80 th Percentile (\$)
One Day	MGS	20.64	47.33	88.87
	LGS	72.37	130.65	302.48
Five Days	MGS	103.20	236.65	444.35
	LGS	361.85	653.25	1,512.40

BC Hydro's primary concern regarding the level of financial risk is that an extended Evacuation Order affecting a large number of MGS and LGS customers could result in a significant waiver of charges. Table 2 provides an example of the potential bill credits if an Evacuation Order was issued for Annacis Island, which is one of many concentrated industrialized areas around the Province. As shown, using median consumption values from Table 1, evacuation of the 122 MGS and 85 LGS customers could result in bill credits (Energy Charge only) of over \$84,000 if subject to an Evacuation Order for five days.

Table 2: Illustrative Example of Potential Bill Credits (Energy Charge Only) for MGS and LGS Customers

	Number of Customers	Median Bill Credit per Day (\$)	Bill Credit – One-Day Evacuation (\$)	Bill Credit – Five-Day Evacuation (\$)
MGS	122	47.33	5,774	28,871
LGS	85	130.62	11,103	55,514
Total	207		16,877	84,385

The LGS rate class contains a number of very large customers that have significantly larger consumption than the 80th percentile. In particular, the 10 largest LGS accounts each have annual consumption in excess of 35 GWh, with the largest being nearly 56 GWh. Therefore, if any of these customers was

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2.12.1 Please convert the information contained in Tables 1 and 2 into annual rate impacts for residential and commercial customers, by \$ and %.

RESPONSE:

BC Hydro has converted the information contained in Tables 1 and 2 of its response to CEC IR 1.2.4 into estimated annual rate impacts in percentages in the tables below. In addition, BC Hydro has provided the estimated annual bill impacts in dollars for residential and commercial customers as requested in the question.

Table 1 - One-Day Evacuation

in \$	Number of Customers	Bill Credits, \$ per customer per day			One-Day Evacuation			Reference
		20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	
MGS	122	20.64	47.33	88.87	2,518	5,774	10,842	1
LGS	85	72.37	130.65	302.48	6,151	11,105	25,711	2
Total	207				8,670	16,880	36,553	3=1+2
Forecast Revenue Requirement (\$ thousand)					5,197,400	5,197,400	5,197,400	4
Rate Impact, %					0.0002%	0.0003%	0.0007%	5=3+4
Typical Annual Bill \$ - Residential ¹					791	791	791	6
Annual Bill Impact \$ - Residential					0.00	0.00	0.01	7=5x6
Typical Annual Bill \$ - Commercial ²					71,879	71,879	71,879	8
Annual Bill Impact \$ - Commercial					0.14	0.22	0.50	9=5x8

Table 2 - Five-Day Evacuation

in \$	Number of Customers	Bill Credits, \$ per customer per 5-day			Five-Day Evacuation			Reference
		20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	
MGS	122	103.20	236.65	444.35	12,590	28,871	54,211	1
LGS	85	361.85	653.25	1,512.40	30,757	55,526	128,554	2
Total	207				43,348	84,398	182,765	3=1+2
Forecast Revenue Requirement (\$ thousand)					5,197,400	5,197,400	5,197,400	4
Rate Impact, %					0.0008%	0.0016%	0.0035%	5=3+4
Typical Annual Bill \$ - Residential ¹					791	791	791	6
Annual Bill Impact \$ - Residential					0.01	0.01	0.03	7=5x6
Typical Annual Bill \$ - Commercial ²					71,879	71,879	71,879	8
Annual Bill Impact \$ - Commercial					0.58	1.15	2.52	9=5x8

¹ Based on median annual consumption of all RS1101 residential customers (i.e. 7,454 kWh/year). It represents the forecast total of basic charge and energy charge only in F2021. Taxes, levies and riders are not included.

² Based on median annual LGS consumption (i.e. 744,240 kWh/year). It represents the forecast total of basic charge, energy charge and demand charge only in F2021. Taxes, levies and riders are not included.

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The estimated rate impact percentages are shown on line 5 of Tables 1 and 2 above. The estimated rate impacts in Tables 1 and 2 are the impacts that would be recovered from all classes of ratepayers, including residential and commercial customers as requested in the question.

The estimated bill impacts for residential and commercial customers based on typical annual residential and commercial bills are shown on lines 7 and 9 of Tables 1 and 2 above.

For the purposes of this calculation, BC Hydro has assumed the bill credit amounts are recovered from the ratepayers in one year and that the fiscal 2021 forecast revenue requirement is \$5,197.4 million. If the bill credit amount is recovered over two years, the estimated rate impact percentage would be half of the amounts from line 5 of Tables 1 and 2 in Year 1, but the cumulative bill impact over two years would be identical to the those amounts shown on lines 7 and 9 of Tables 1 and 2.

BC Hydro further notes that the analysis above is based on an illustrative example only and is limited to one evacuation incident in one location for a period of five days. In any given year and over a period of time there could be a number of evacuations across the province for the duration of greater than five days and this could result in higher bill credit amounts and therefore rate impacts if these amounts were deferred to the Storm Restoration Costs Regulatory Account. Further, the rate impacts shown in Tables 1 and 2 above do not include the costs of managing bill credits following an Evacuation Order which are estimated to be anywhere from \$1,500 to \$4,500 as discussed in BC Hydro's response to BCUC IR 1.2.12.

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13.0 Reference: Exhibit B1-4 CEC 1.2.3

RESPONSE:

Customers of the Medium General Service (MGS), Large General Service (LGS) and Street Lighting Service rates excluded from the proposed evacuee bill credits are predominately government entities and businesses.

BC Hydro suggests that government entities aren't vulnerable to the impacts of Evacuation Orders from the view that their ongoing financial viability isn't threatened by an Evacuation Order. This is because they are taxpayer funded, and also because local governments may have access to financial assistance from the Province for response and recovery costs related to the disaster. Accordingly, the ongoing operation of government entities isn't threatened because some or all of their operations are located within the boundaries of an Evacuation Order.

The severity of impact of an Evacuation Order likely varies significantly between businesses. BC Hydro acknowledges that economic conditions and industry-specific concerns can be such that businesses of any size can face financial challenges, making them vulnerable to the impacts of an Evacuation Order. However, businesses should generally be expected to carry property insurance to protect their physical assets, as well as business interruption insurance to cover loss of income. BC Hydro is generally aware that small businesses are less likely to carry business interruption insurance than larger businesses but doesn't have statistics that indicate levels of coverage within British Columbia.

Also, many of BC Hydro's MGS and LGS accounts are parts of much larger operations that have the financial strength to absorb losses associated with an Evacuation Order. For example, a national retailer is less likely to be vulnerable to the impacts of an Evacuation Order affecting one of its locations than would a "mom and pop" business impacting its only store.

2.13.1 Please provide the number and proportions of customers in MGS and LGS that can be considered as government entities.

RESPONSE:

Rate Category	Approximate number of active accounts	Accounts identified as government entities	
		Number	Proportion (%)
Medium General Service	17,566	2,111	12
Large General Service	7,615	1,014	13

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13.0 Reference: Exhibit B1-4 CEC 1.2.3

RESPONSE:

Customers of the Medium General Service (MGS), Large General Service (LGS) and Street Lighting Service rates excluded from the proposed evacuee bill credits are predominately government entities and businesses.

BC Hydro suggests that government entities aren't vulnerable to the impacts of Evacuation Orders from the view that their ongoing financial viability isn't threatened by an Evacuation Order. This is because they are taxpayer funded, and also because local governments may have access to financial assistance from the Province for response and recovery costs related to the disaster. Accordingly, the ongoing operation of government entities isn't threatened because some or all of their operations are located within the boundaries of an Evacuation Order.

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Also, many of BC Hydro's MGS and LGS accounts are parts of much larger operations that have the financial strength to absorb losses associated with an Evacuation Order. For example, a national retailer is less likely to be vulnerable to the impacts of an Evacuation Order affecting one of its locations than would a "mom and pop" business impacting its only store.

2.13.2 Please discuss the impact of permitting relief for MGS and LGS customers that were not governmental organizations.

RESPONSE:

As explained in BC Hydro's response to CEC IR 1.2.4, waiver of Energy Charges for an Evacuation Order with a duration of five days would range from \$103 to \$444 for a Medium General Service (MGS) customer and \$362 to \$1,512 for a Large General Service (LGS) customer. The magnitude of waivers would increase if relief was also provided for Demand Charges during the period of the Evacuation Order.

The potential financial risk to BC Hydro ratepayers for extending evacuation relief to its MGS and LGS customers is unpredictable, it cannot be forecasted and could be large.

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13.0 Reference: Exhibit B1-4 CEC 1.2.3

RESPONSE:

Customers of the Medium General Service (MGS), Large General Service (LGS) and Street Lighting Service rates excluded from the proposed evacuee bill credits are predominately government entities and businesses.

BC Hydro suggests that government entities aren't vulnerable to the impacts of Evacuation Orders from the view that their ongoing financial viability isn't threatened by an Evacuation Order. This is because they are taxpayer funded, and also because local governments may have access to financial assistance from the Province for response and recovery costs related to the disaster. Accordingly, the ongoing operation of government entities isn't threatened because some or all of their operations are located within the boundaries of an Evacuation Order.

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2.13.2 Please discuss the impact of permitting relief for MGS and LGS customers that were not governmental organizations.

2.13.2.1 Please provide quantification of the potential costs and translate into annual bill impacts for residential and commercial customers if only government entities were excluded instead of all MGS and LGS customers.

RESPONSE:

BC Hydro is unable to provide the requested quantification. As noted in BC Hydro's response to CEC IR 2.13.2 the amounts are unpredictable and cannot be forecasted.

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13.0 Reference: Exhibit B1-4 CEC 1.2.3

RESPONSE:

Customers of the Medium General Service (MGS), Large General Service (LGS) and Street Lighting Service rates excluded from the proposed evacuee bill credits are predominately government entities and businesses.

BC Hydro suggests that government entities aren't vulnerable to the impacts of Evacuation Orders from the view that their ongoing financial viability isn't threatened by an Evacuation Order. This is because they are taxpayer funded, and also because local governments may have access to financial assistance from the Province for response and recovery costs related to the disaster. Accordingly, the ongoing operation of government entities isn't threatened because some or all of their operations are located within the boundaries of an Evacuation Order.

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Also, many of BC Hydro's MGS and LGS accounts are parts of much larger operations that have the financial strength to absorb losses associated with an Evacuation Order. For example, a national retailer is less likely to be vulnerable to the impacts of an Evacuation Order affecting one of its locations than would a "mom and pop" business impacting its only store.

2.13.3 Please confirm that all ratepayers pay for the benefit of evacuee assistance.

RESPONSE:

Confirmed. Amounts deferred to the Storm Restoration Costs Regulatory Account are recovered from all ratepayers.

Please also refer to BC Hydro's response to CEC IRs 1.7.1 and 1.9.1.

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14.0 Reference: Exhibit B1-4, CEC 1.5.1

1.5.1 Does the Service connection charge waiver apply to any other rate groups? Please explain.

RESPONSE:

No, the proposed waiver of the service connection charge applies only to residential customers. In addition, the waiver would only be granted if costs to re-establish electrical service aren't recoverable as part of the customer's insurance.

2.14.1 Please confirm that customers whose insurance does not recover the costs to re-establish electrical service could be less costly than that which does recover the cost.

RESPONSE:

BC Hydro interprets the question as a request to compare a customer's cost of insurance with coverage for the charge to restore the service connection versus without coverage for the charge to restore the service connection. BC Hydro is unable to provide the requested information as it does not have knowledge of available insurance coverages and the associated costs.

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15.0 Reference: Exhibit B1-4 CEC 1.7.1 and 1.9.1

1.7.1 Please confirm that the costs will be recovered from all ratepayers proportional to their cost of service.

RESPONSE:

BC Hydro does not confirm that costs will be recovered from all ratepayers proportional to their cost of service.

Rather, costs will be recovered from ratepayers through general rate increases or decreases, as approved by the BCUC through BC Hydro's Revenue Requirements Application.

1.9.1 Please identify from which rate classes the bill credits will be recovered.

RESPONSE:

Costs associated with bill credits will be recovered from all rate classes. Please also refer to BC Hydro's response to CEC IR 1.7.1.

2.15.1 Please elaborate on the difference between recovering costs proportional to a rate class's cost of service and that of being recovered from ratepayers through general rate increases or decreases.

RESPONSE:

When the evacuation relief costs are recovered through the general rate increase then all customers are subject to the same rate increase.

Hypothetically, if the evacuation relief costs were recovered proportionally to each rate class's cost of service, the rate increase of each class would be the total rate increase that needs to be recovered divided by each rate class's Revenue to Cost Ratio. This hypothetical approach may impact the Revenue to Cost Ratio however as per section 58.1(7) of the *Utilities Commission Act*:

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“The commission may not set rates for a public utility for the purpose of changing the revenue-cost ratio for a class of customers except on application by the public utility.”

and Order in Council No. 051, Direction No. 8 to the BCUC, regarding Rate Rebalancing:

“In setting rates for the authority for F2020 and F2021, the commission must not set rates for the purpose of changing the revenue-cost ratio for a class of customers.”